

Assembly Bill No. 2438

CHAPTER 121

An act to amend Section 20630 of the Government Code, relating to public employees' retirement, making an appropriation therefor.

[Approved by Governor July 24, 2006. Filed with
Secretary of State July 24, 2006.]

LEGISLATIVE COUNSEL'S DIGEST

AB 2438, Chu. Public employees' retirement: compensation.

The Public Employees' Retirement Law defines the term "compensation" for purposes of determining required contributions and benefits. That law generally requires a miscellaneous member to pay 6% and a school member to pay 7% of compensation as his or her normal retirement contribution to the Public Employees' Retirement System. Member contributions are made to the Public Employees' Retirement Fund, a continuously appropriated fund.

This bill would additionally define compensation to include, if the member is a school employee of a school district or community college district, industrial disability leave paid to that member. Because this bill would expand the definition of compensation of a member who receives industrial disability leave and thereby increase member contributions to the Public Employees' Retirement Fund, this bill would make an appropriation.

Appropriation: yes.

The people of the State of California do enact as follows:

SECTION 1. Section 20630 of the Government Code is amended to read:

20630. (a) As used in this part, "compensation" means the remuneration paid out of funds controlled by the employer in payment for the member's services performed during normal working hours or for time during which the member is excused from work because of any of the following:

- (1) Holidays.
- (2) Sick leave.
- (3) Industrial disability leave, during which, benefits are payable pursuant to Sections 4800 and 4850 of the Labor Code, Article 4 (commencing with Section 19869) of Chapter 2.5 of Part 2.6, or Section 44043 or 87042 of the Education Code.
- (4) Vacation.

(5) Compensatory time off.

(6) Leave of absence.

(b) When compensation is reported to the board, the employer shall identify the pay period in which the compensation was earned regardless of when reported or paid. Compensation shall be reported in accordance with Section 20636 and shall not exceed compensation earnable, as defined in Section 20636.

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